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The Odd Couple How Have Hawaii And Utah Staved Off Casinos -- And Will They Ever Join The Game?

The disclaimer, "except Hawaii and Utah" is so often repeated in gaming reports and news coverage that it hardly needs saying anymore, except to inform cave dwellers and space aliens. Anyone who's paid the vaguest bit of attention to gaming expansion knows that those two states are the lone holdouts against all types of gambling, from racetracks to roulette.

Like the law of gravity, many take for granted that all laws tossed up in Utah or Hawaii must come down. Lately, though, others have questioned whether these gaming bans are really carved in stone, particularly in Hawaii.

The two states couldn't be more different, yet it makes perfect sense that they would be the holdouts. Both have a uniquely homogeneous culture and a sense of self-determination that has been a sustaining force for gaming opposition and worked against outside developers.

They also share a dirty little secret, which is that many of their residents sneak out to gamble elsewhere. For Hawaiians, that destination is Las Vegas. According to a February 15 article in the Las Vegas Review-Journal, Boyd's Gaming markets directly to Hawaiians and runs regular charter flights from the islands to its Las Vegas resorts -- reportedly accounting for 80 percent of hotel stays at the company's California casino.

Utahans, meanwhile, help support several casinos in the border town of Wendover, Nevada, 120 miles from Salt Lake City.

In addition to the documented casino traffic, consider how many Hawaiians and Utahans buy out-of-state lottery tickets (granted, a bit difficult on an island state), engage in social sports betting or even wager on the Internet. These states may condemn games of chance within their borders, but they're not exactly gambling-free.

Given the pervasiveness of gambling in the other 48 states and on the World Wide Web, relaxing social attitudes and the lure of tax dollars for education and infrastructure, is it realistic -- or wise -- for the Beehive State and the Aloha State to hold a hard line against legal gaming?

Obviously the odds favor the house in Utah, where religious prohibitions are virtually insurmountable. According to a 1990 Las Vegas Sun article, Utah has more church-goers than any other state and more than two thirds of its residents belong to the Mormon church. Mormon theology forbids gambling and Utah's state constitution echoes that position.

There was a brief and interesting time in Utah's history when casinos flourished, along with saloons, brothels and all the other trappings of a

proper 1800's mining boomtown. In some ways, Utah's silver rush in the mid-1800s illustrates -- and enforces -- the church's reasons for opposing gambling. When silver was first discovered in the state, the Mormon church actually hoped to keep the discovery quiet, fearing an invasion of non-Mormon prospectors who would overwhelm the population and introduce all the vices of other mining towns. Of course that's exactly what happened.

The few attempts in recent memory to bring any sort of gaming back to Utah have been nipped so quickly that it's clear any new movements would be suicidal. Even if a casino did fall out of the sky into the middle of Salt Lake City, the ensuing controversy would probably run it out of town -- not to mention the total lack of any type of tourism business that would attract gamblers.

On the other hand, Hawaii's formerly forbidden paradise looks more promising with each passing month. There, the challenge is not a specific religious or historical prohibition against gambling, but a common philosophy that the islands' native beauty and populations should be shielded against the vice and gaudiness associated with gambling centers.

Ironically, Hawaii's burgeoning tourism industry, which could be cited to allay fears of economic cannibalism, has been used as a reason not to welcome gambling. Considering its reputation for family-friendly fun, many argue that there's no need to bring casinos into the equation.

In response, an ongoing campaign to bring limited gambling to the state promises that Hawaii's existing assets could be protected even as millions of gaming tax dollars feed the state's hungry budget.

In February local media began reporting that South Africa-based Sun International wants to build an \$800 million hotel with limited casino gambling at Ko 'Olina in west Oahu. Two months prior, Hawaii Governor Ben Cayetano had visited Sun's Atlantis resort in the Bahamas.

Although he didn't come back waving the flag for full-fledged casino gambling, Cayetano has said that it would be foolish to pass up millions of tax dollars for the state's schools. He said that his concerns about gambling are practical rather than moral; that he'd consider a single Hawaiian casino located in an area where it could draw tourists without the controversy and disruption that a project in Waikiki might bring. Cayetano has backed other gaming proposals in the past, including pari-mutuel gambling and lotteries.

The objections to this plan are moral as well as practical. The Hawaii Coalition Against Legalized Gambling warns that casinos would unravel the state's moral fiber and compromise the uniqueness of the state as a place to live and visit; that it'd become a mirror of Las Vegas.

These are the same rote objections that arise in every gaming legalization effort, but they must still be answered. The Hawaii Coalition for Economic Diversity has stepped into the debate (funded partly by Sun) to spread positive propaganda about the proposed resort and the 5,000 permanent jobs it could create. (Cayetano has also stressed that he has no intention of allowing Hawaii to imitate Las Vegas, which is the point of allowing only one casino in a somewhat removed location.)

This isn't the first time that gambling has approached Hawaii's shores. In 1996 a San Francisco-based cruise line raised hackles by operating casino gambling as it sailed around the islands. The company insisted that its activities were fair game since they took place three miles offshore in international waters, but opponents argued that Hawaii's boundary encompasses all of the islands including the water in between.

The debate was reframed when Norwegian Cruise Line announced intentions to start operating Hawaii-based cruises in December 2001 that would allow gambling during a round trip to a small island 1,200 miles south of Hawaii. Last year Senator Dan Inouye foiled that plan by attaching a rider to the federal Labor Department appropriations bill. Obviously directed at Norwegian, the measure bans gambling on any cruises that start and end in Hawaii. To the surprise of many who expected Norwegian to turn away, the company says it is intent on running the cruise with or without casinos.

Although Hawaii's state legislature ended the 2001 session without approving any gaming bills, some proponents and developers seem hopeful that it could happen soon. The mere fact that pro- and anti-gambling groups are mobilized suggests that some sort of consideration is likely.

If a casino were approved, it's unclear whether it would lead to more casinos and possibly other forms of gambling or whether further expansion would be blocked by the legislature. That likely would depend on whether the first experiment lived up to its revenue-generating promises in an environmentally conscious and family-friendly way.

If things continue to develop as they have been, the next gaming proposal thrown up to the Hawaii legislature just might stick -- bringing this tale of two states to two very different endings.

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